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*Counsel for the Debtors and
Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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|---|---------------------------|
| -----X | |
| In re: | : Chapter 11 |
| | : : |
| AOG Entertainment, Inc., <u>et al.</u> , ¹ | : Case No. 16-11090 (SMB) |
| | : : |
| Debtors. | : (Jointly Administered) |
| -----X | |

**NOTICE OF PRESENTMENT OF STIPULATION AND AGREED ORDER BETWEEN
19 ENTERTAINMENT LTD. AND SONY MUSIC ENTERTAINMENT MODIFYING
AUTOMATIC STAY TO PERMIT SONY MUSIC ENTERTAINMENT TO PURSUE
COUNTERCLAIM IN THE PARTIES' ONGOING CIVIL LITIGATION**

PLEASE TAKE NOTICE that the annexed stipulation and agreed order (the “**Stipulation**”) will be presented for signature to the Honorable Stuart M. Bernstein, United States Bankruptcy Judge, Courtroom 723, at the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, or such other location as designated by the Bankruptcy Court, on **July 27, 2016 at 12:00 noon prevailing Eastern Time** (the “**Presentment Date**”).

¹ A list of the Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number is attached as Schedule 1 to the Declaration of Peter Hurwitz, President of Certain Debtors, in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 3] and at <http://www.kccllc.net/AOG>. The Debtors’ executive headquarters are located at 8560 West Sunset Boulevard, 8th Floor, West Hollywood, CA 90069.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Stipulation must: (i) be made in writing; (ii) state with particularity the grounds therefor; (iii) be filed with the Bankruptcy Court (with a copy to the Judge's chambers); and (iv) be served upon: (a) AOG Entertainment, Inc., 8560 West Sunset Boulevard, 8th Floor, West Hollywood, CA 90069 (Attn: Peter Hurwitz); (b) counsel for the Debtors, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Matthew A. Feldman, Esq., Paul V. Shalhoub, Esq. and Andrew S. Mordkoff, Esq.); (c) counsel to Sony Music Entertainment, Luskin, Stern & Eisler LLP, Eleven Times Square, New York, NY 10036 (Attn: Richard Stern, Esq.); (d) proposed counsel to the Official Committee of Unsecured Creditors, Sheppard Mullin Richter & Hampton LLP, 30 Rockefeller Plaza, New York, NY 10112 (Attn: Craig Wolfe, Esq., Malani Cademartori, Esq. and Jason R. Alderson, Esq.); (e) counsel to the ad hoc group of lenders party to the Debtors' prepetition first lien secured credit agreement, Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, CA 90067-6049 (Attn: Lee R. Bogdanoff, Esq. and David A. Fidler, Esq.); (f) counsel to Crestview Media Investors, L.P., as lender under the Debtors' prepetition first and second lien secured credit agreements, Quinn Emanuel Urquhart & Sullivan, LLP, 865 S. Figueroa Street, 10th Floor, Los Angeles, CA 90017 (Attn: Eric Winston, Esq.); and (g) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Richard C. Morrissey, Esq.), so as to be received no later than **11:30 a.m. (prevailing Eastern Time) on July 27, 2016** (the "**Objection Deadline**").

PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and received by the Objection Deadline, the Stipulation may be approved without further notice or a hearing. If an objection is filed, you may be notified of a hearing to consider the requested relief.

Dated: July 13, 2016
New York, New York

WILLKIE FARR & GALLAGHER LLP
*Counsel for the Debtors and
Debtors in Possession*

By: /s/ Paul V. Shalhoub

Matthew A. Feldman

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11
: :
AOG Entertainment, Inc., et al.,¹ : Case No. 16-11090 (SMB)
: :
Debtors. : (Jointly Administered)
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**STIPULATION AND AGREED ORDER BETWEEN 19 ENTERTAINMENT LTD. AND
SONY MUSIC ENTERTAINMENT MODIFYING AUTOMATIC STAY
TO PERMIT SONY MUSIC ENTERTAINMENT TO PURSUE
COUNTERCLAIM IN THE PARTIES' ONGOING CIVIL LITIGATION**

This stipulation (the “**Stipulation**”) is entered into by and between 19 Entertainment Ltd., as debtor and debtor in possession (the “**Debtor**”), and Sony Music Entertainment (“**SME**,” and together with the Debtor, the “**Parties**”).

RECITALS

A. On April 28, 2016 (the “**Petition Date**”), the Debtor and certain of its affiliates each commenced a voluntary case under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”). The Debtor continues to operate its business and manage its properties as a debtor in possession, as authorized by §§ 1107(a) and 1108 of the Bankruptcy Code.

B. Prior to the Petition Date, on February 20, 2014, the Debtor filed suit against SME in an action titled *19 Entertainment Ltd. v. Sony Music Entertainment*, No. 14-cv-1056 (RA) (GWG), in the District Court for the Southern District of New York (the “**Civil Action**”).

¹ A list of the Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number is attached as Schedule 1 to the Declaration of Peter Hurwitz, President of Certain Debtors, in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 3] and at <http://www.kccllc.net/AOG>. The Debtors’ executive headquarters are located at 8560 West Sunset Boulevard, 8th Floor, West Hollywood, CA 90069.

The Debtor filed an Amended Complaint on May 19, 2014, seeking over \$10 million in damages from SME. (*See* Am. Compl., ECF No. 18).

C. On March 31, 2015, SME filed its Answer, Affirmative Defenses, and Counterclaim in response to the Debtor's Amended Complaint in the Civil Action. (ECF No. 35). SME's counterclaim seeks over \$2 million in damages from the Debtor.

D. On May 2, 2016, the Debtor filed a Suggestion of Bankruptcy in the Civil Action, stating that "the commencement or continuation of a judicial, administrative or other action or proceeding against 19 Recordings Limited that was or could have been commenced before the Petition Date, including this action, was stayed as of the Petition Date." (ECF No. 183).

E. On May 2, 2016, the Debtor's counsel informed SME that the Debtor intends to pursue its claims against SME in the Civil Action. The Debtor has actively litigated the Civil Action since that date.

F. The Parties agree that, in the interests of equity, efficiency, and the preservation of judicial resources, the automatic stay under section 362 of the Bankruptcy Code should be modified with respect to SME's counterclaim against the Debtor in the Civil Action, to the extent provided herein.

G. The parties further agree that the automatic stay should be modified only to the point of judgment on SME's counterclaim, and that stay modification should not extend to the execution of any judgment that SME may obtain against the Debtor in the Civil Action.

NOW, THEREFORE, in consideration of the foregoing recitals, the Parties stipulate and agree, subject only to Bankruptcy Court approval, as follows:

1. As of the date that this Stipulation is approved by the Bankruptcy Court (the "**Effective Date**"), the automatic stay under section 362(a) of the Bankruptcy Code shall be

modified solely to the extent necessary to permit SME to pursue its counterclaim against the Debtor to the point of judgment (but not execution) in the Civil Action. Any judgment that may be obtained by SME in the Civil Action on account of its counterclaim, if any, shall be subject to treatment under any chapter 11 plan confirmed and consummated in the Debtor's chapter 11 case.

2. This Stipulation is subject to the approval of the Bankruptcy Court. In the event that the Bankruptcy Court declines to enter an order approving the Stipulation or, if entered, if such approval order is modified, reversed, or vacated (either by the Bankruptcy Court or on appeal), this Stipulation shall be terminated and the parties shall be restored to the *status quo ante* existing prior to the execution of the Stipulation.

3. Each of the Parties represents that, except for the approval of this Stipulation by the Bankruptcy Court, no consent, approval, or authorization of any third party is required for such Party's valid execution and performance of this Stipulation.

4. Each person who executes this Stipulation on behalf of a party hereto represents that he or she is duly authorized to execute this Stipulation on behalf of such party.

5. Nothing contained in this Stipulation shall prejudice, or be deemed to prejudice, any other rights, claims, defenses, or obligations of the Parties.

6. This Stipulation shall be binding upon all successors and assigns of the Parties.

7. This Stipulation contains the entire agreement by and between the Parties with respect to the subject matter hereof, and all prior understandings or agreements, if any, are merged into this Stipulation.

8. This Stipulation may be executed in one or more counterparts, all of which shall be considered one and the same document. Facsimile or electronic signatures of this Stipulation shall be deemed binding, as if originals.

9. No modification, alteration, or amendment of this this Stipulation, in whole or in part, shall be effective unless it is memorialized in a writing executed by both Parties and approved by the Bankruptcy Court.

10. This Stipulation shall be construed and interpreted in accordance with the laws of the State of New York. For purposes of construing this Stipulation, neither of the Parties shall be deemed to have been the drafter of the Stipulation.

11. The Bankruptcy Court shall retain exclusive jurisdiction to hear and determine any and all disputes arising from or relating to the interpretation or implementation of this Stipulation.

12. The fourteen-day stay period under Rule 400l(a)(3) of the Federal Rules of Bankruptcy Procedure is hereby waived and this Stipulation shall be effective immediately upon its entry.

IN WITNESS WHEREOF, the Parties have executed this Stipulation as of the date
hereof.

Dated: July 13, 2016
New York, New York

19 RECORDINGS LIMITED
Debtor and Debtor in Possession

By its Attorneys,

WILLKIE FARR & GALLAGHER LLP

By: /s/ Paul V. Shalhoub
PAUL V. SHALHOUB
A Member of the Firm

787 Seventh Avenue
New York, NY 10019
Tel: 212-728-8000

Dated: July 13, 2016
New York, New York

SONY MUSIC ENTERTAINMENT

By its Attorneys,

LUSKIN, STERN & EISLER LLP

By: /s/ Richard Stern
RICHARD STERN
A Member of the Firm

Eleven Times Square
Eighth Ave. & 41st St.
New York, NY 10036
Tel: 212-597-8200

Dated: _____, 2016
New York, New York

IT IS SO ORDERED:

HONORABLE STUART M. BERNSTEIN
U.S. BANKRUPTCY JUDGE